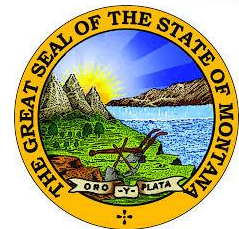


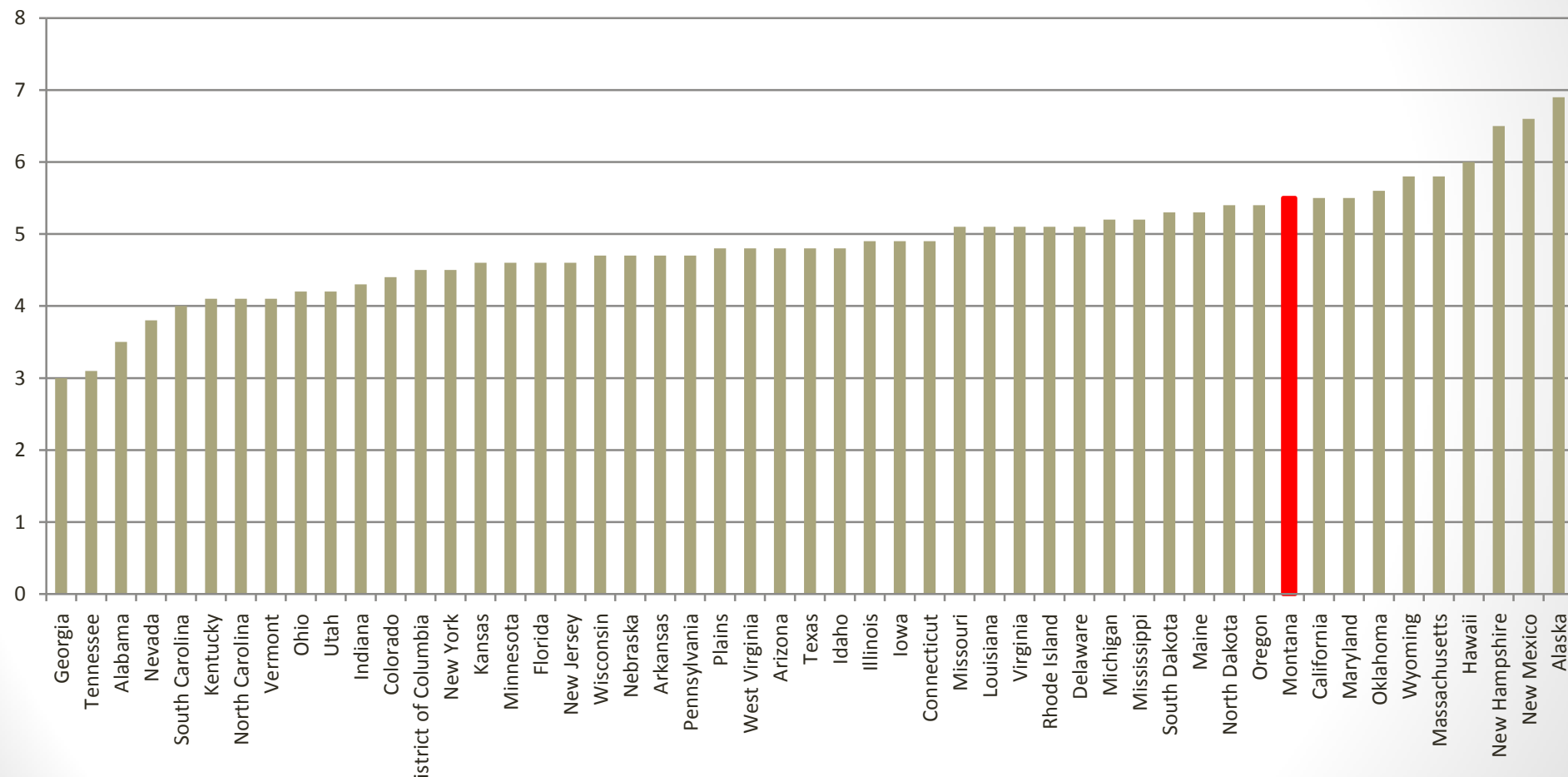
# Montana State Innovation Model Design Award Overview





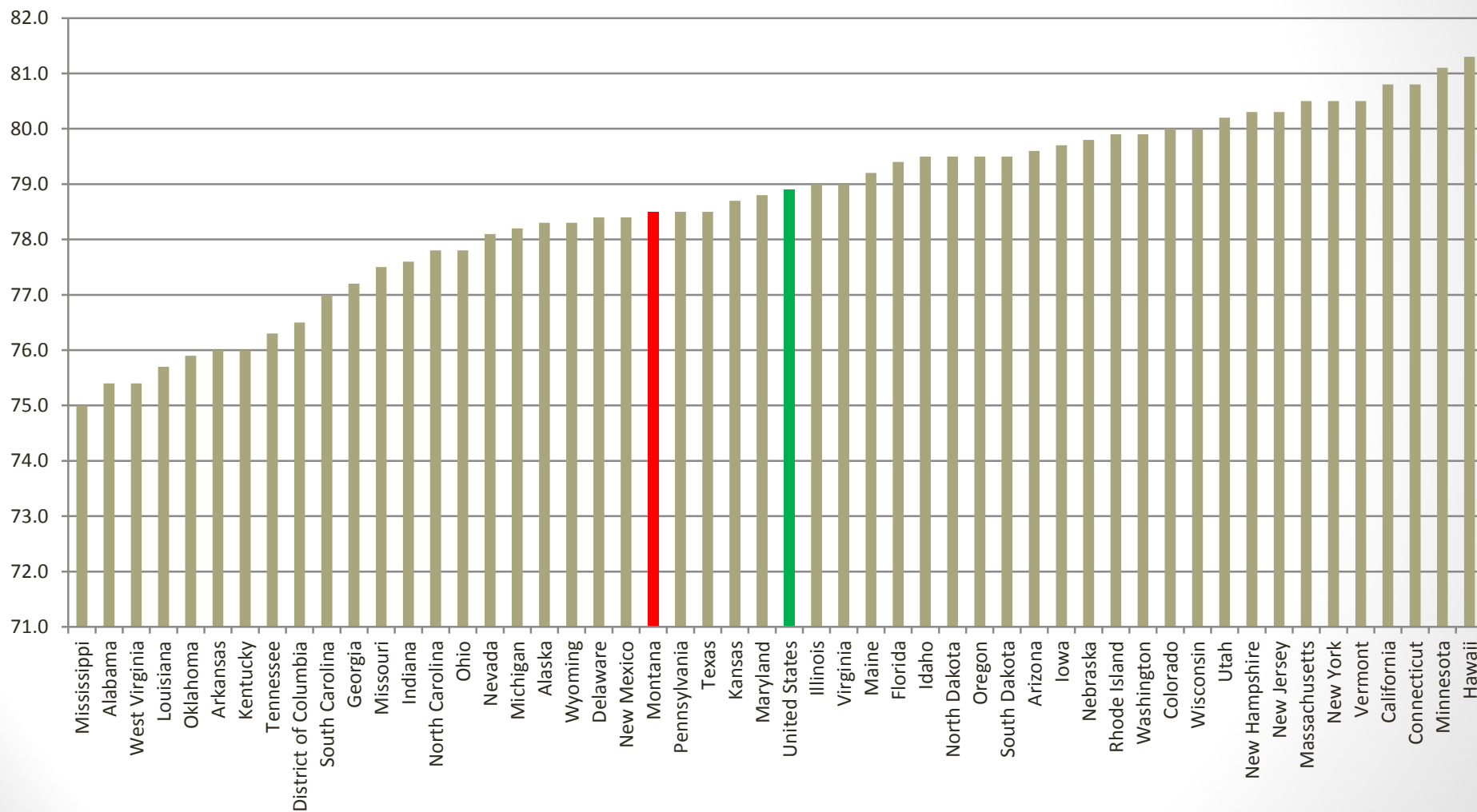
# Percent Increase in Per Capita Health Spending by State

Across all payers 2004-2009



Montana has seen average health care costs rise at greater rate than 41 other states

# Life Expectancy at Birth, 2009





# Prevention

## Immunizations

Only 2 states ranked worse than Montana for percentage of children ages 19-35 months who received recommended vaccines, 2011

## Mammograms

Only four states have worst rates of women over 50 who reported having a mammogram in the last 2 years. (2010)



# Health Disparities

## Lifespan

On average the lifespan of American Indians in Montana is twenty years less than their non-Indian neighbors, friends and coworkers.

## Healthcare Needs

American Indians are significantly more likely to suffer from cardiovascular disease, cancer, and respiratory illness

# Smoking leading cause of preventable death in MT



## *Deaths*

More than 1,400 Montanans die each year from tobacco-related disease.

## *Cost to Montanans*

Every year, Montanans pay more than \$441 million in medical costs attributable to smoking

## *Cost to business*

In Montana businesses pay more than \$305 million in lost productivity due to illness and time off.

## *Improvement is real, but must continue*

While tobacco use among Montanans has decreased over the past decade, the financial costs related to tobacco use to Montana remain higher than for any other preventable cause of illness and death.

# Montana Award Overview

- CMS Innovation Center and the Center for Medicare & Medicaid Innovation
- A private/public partnership supported by Governor Bullock's office, the Montana Department of Health and Human Services, the Montana Commissioner of Securities and Insurance, and the Montana Department of Administration.
- Received letters of support for the application from state's major payers, providers across the state, and consumer advocacy groups.
- SIM application submitted on July 21, 2014 to identify, design, and compile elements of Montana's plan.
- The Governor's Council on Healthcare Innovation and Reform will serve as the lead convener for the purchasers, payers, providers, and systems.
- May 2015 to June 2016.

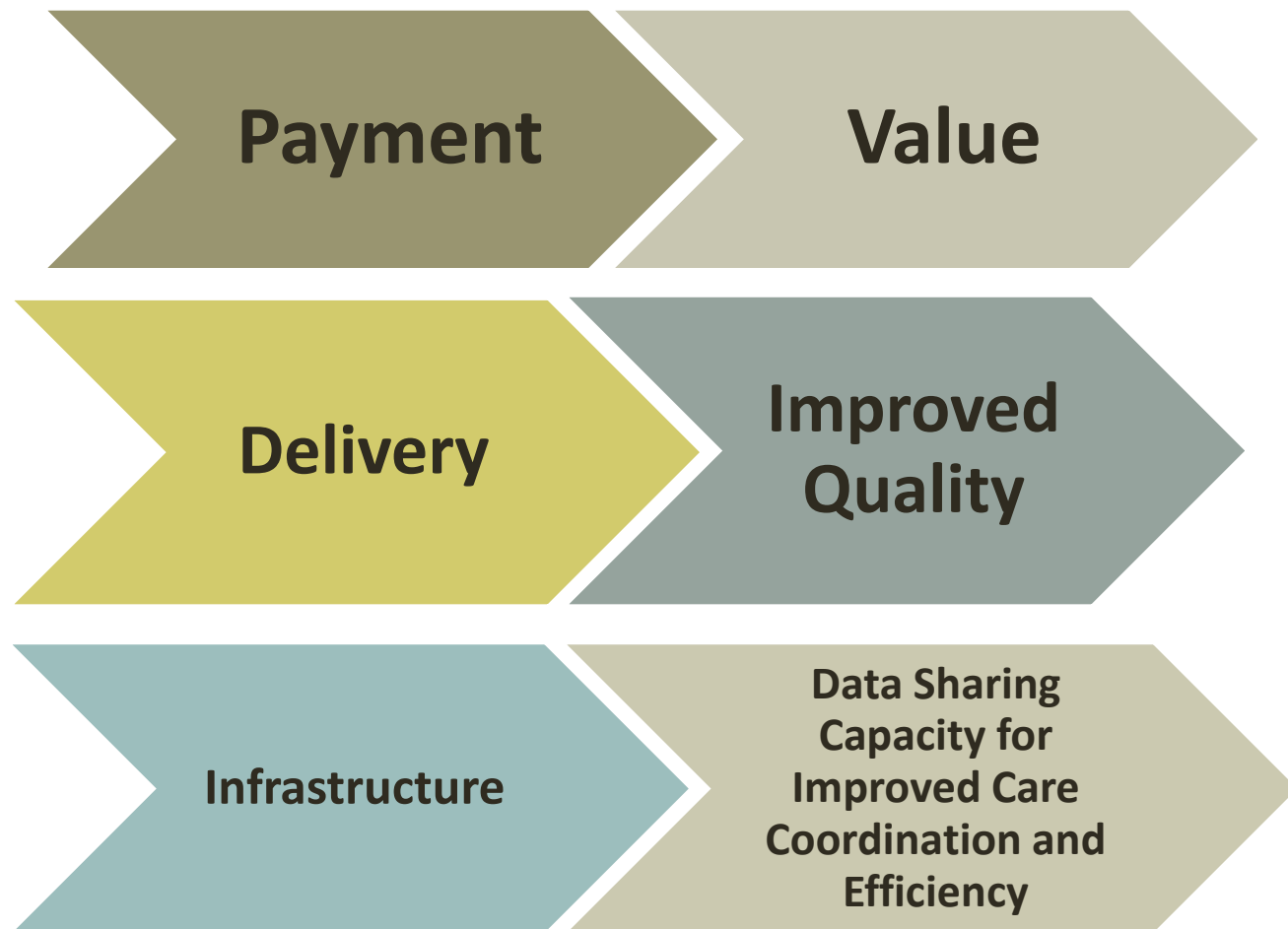


# Montana's Statewide Innovation Model Design Award (SIM)

- \* Identify opportunities to better coordinate care and build efficiencies into Montana's healthcare system
- \* Explore opportunities to coordinate between public and private sector to control cost and improve health system performance



# Montana's Vision for Multi-Payer Innovation



# State Innovation –Core Elements

- o Improving Health
- o Baseline Healthcare Landscape
- o Value-Based Payment and/or Service Delivery Models
- o Leveraging Regulatory Options
- o Health Information Technology and Infrastructure
- o Stakeholder Engagement
- o Quality Measure Alignment
- o Alignment with State and Federal Initiatives

# How This Initiative Matters to Everyone



## Patient Perspective

- Right care, right time, right place: Access
- Better coordination of care
- Decreased need for unnecessary services – services match needs
- Less costly



## Employer Perspective

- Healthier workforce and improved productivity
- Decreased absenteeism costs
- Less costly care



## Health Plan/Payer Perspective

- Healthier, happier plan members
- Helps address factors outside of plan control, moves care upstream
- Decreased cost of care and lower utilization management needs
- Value-based health plan design



## Provider Perspective

- Better care for patients
- Increased satisfaction
- Financial support for previously uncompensated services
- Compensation based on value of care and quality rather than volume
- Team-based care



# Improving Health

State Health Improvement Plan	State Innovation Model (SIM)
Public Health and Safety Division of the Montana Department of Public Health and Human Services with key stakeholder groups and the public.	Multi-payer, providers, consumers and the public.
Completed June, 2013	June 2015-June 2016
<ul style="list-style-type: none"><li>• Information on the health status and health needs of Montanans.</li><li>• Focus on using evidence-based strategies and practices to address documented health needs.</li></ul>	<ul style="list-style-type: none"><li>• Identify opportunities to better coordinate care and build efficiencies into Montana's healthcare system.</li><li>• Explore opportunities to coordinate between public and private sector to control cost and improve health system performance.</li></ul>
Healthier Montana Task Force appointed as oversight body to direct and monitor the implementation of State Health Improvement plan.	Governor's Council on Healthcare Innovation and Reform will be appointed to contribute input and expertise from private and public sector payers, providers, and patient advocates

**Innovation Plan will use Health Improvement Plan to inform priorities and options.**

# Aligning with the Montana Health Improvement Plan Priorities

## **Improved health of Montanans by:**

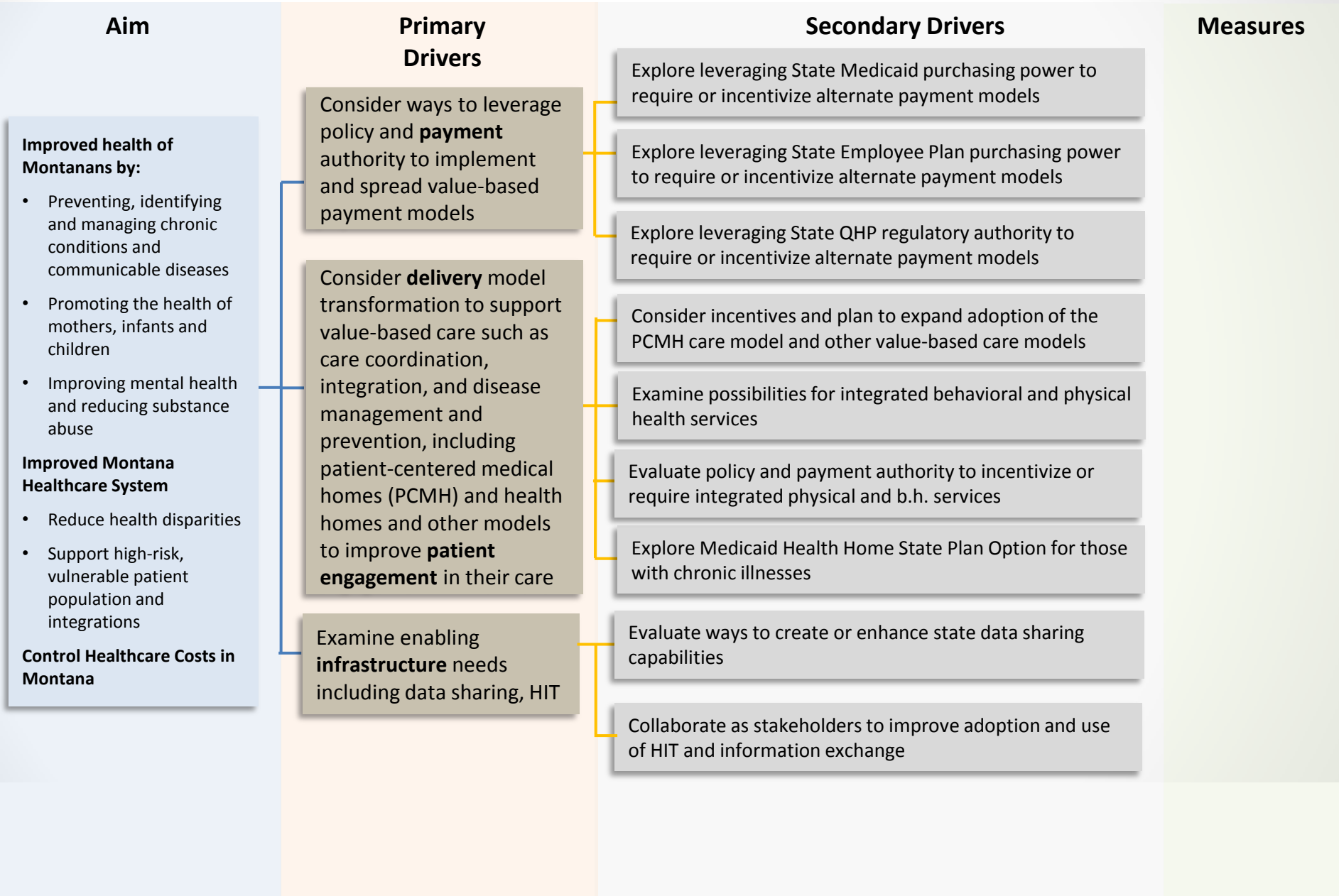
- Preventing, identifying and managing chronic conditions and communicable diseases
- Promoting the health of mothers, infants and children
- Improving mental health and reducing substance abuse

## **Improved Montana Healthcare System**

- Reduce health disparities
- Support high-risk, vulnerable patient population and integrations

## **Control Healthcare Costs in Montana**



# Montana SIM Driver Diagram – Straw Model for Governor’s Council



# Types of Health Care Quality Measurements

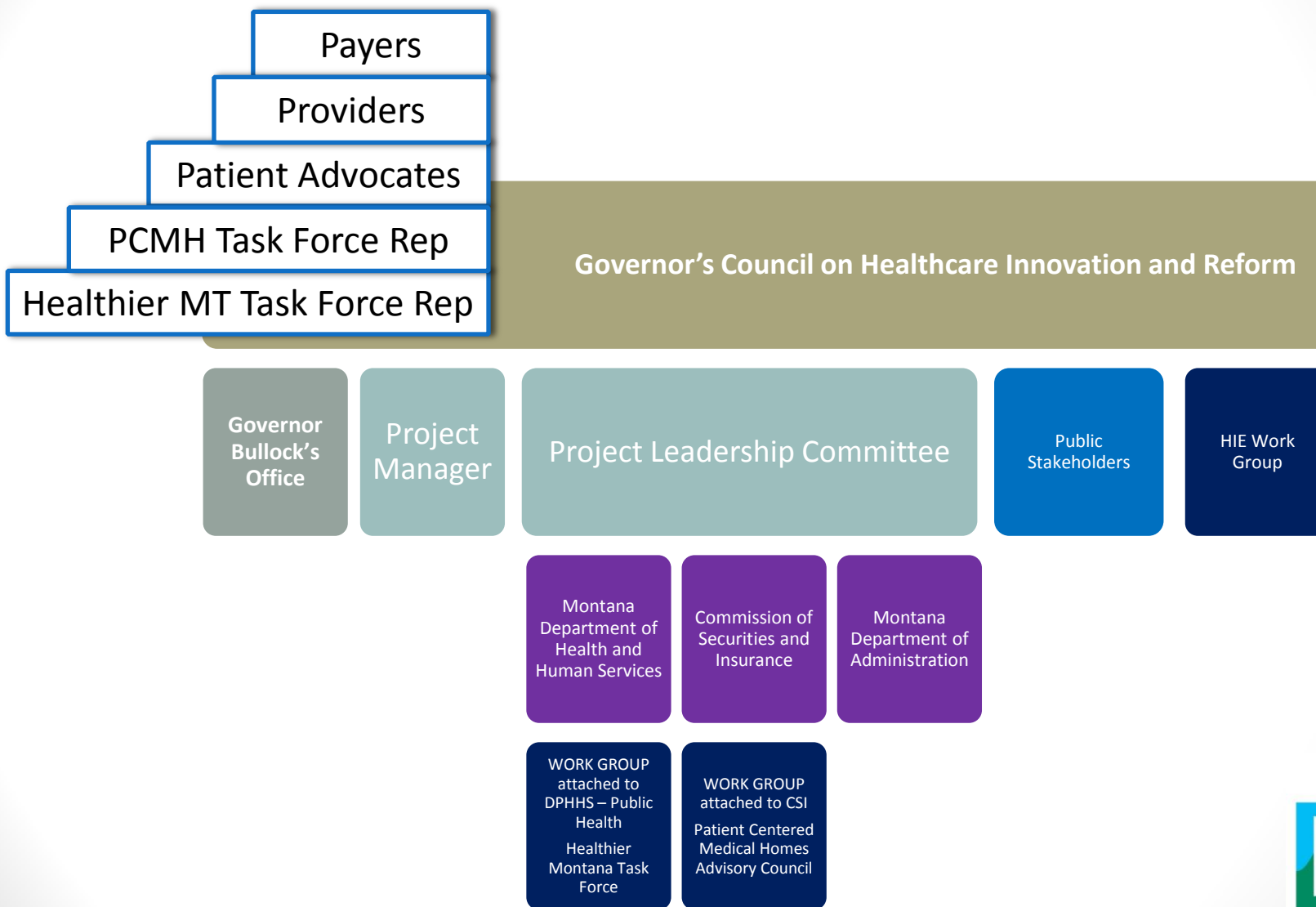
Domain	Objective	Example
<b>Access</b>	Assess the patients attainment of timeline and appropriate care	Percentage of adults who had a visit with a primary care practitioner in past year. # Of adults newly enrolled in Medicaid expansion
<b>Outcome</b>	Assess the health of a patient resulting from care.	Percentage of ICU central line associated blood stream infections during past 6 months.
<b>Patient Experience</b>	Patient perspective on health care experience.	Percentage of patients who reported they can get an appointment within 3 weeks of request.
<b>Process</b>	Assess a health care practice for adherence to treatment based on evidence or consensus.	Percentage of adult patients who had a diabetes screening.
<b>Structure</b>	Capacity of a health care organization to provide care.	The practice can produce a registry of all cancer patients.

# Healthier Montana Task Force

Need	Complete
Identify gaps in access and disparities in the health status of MT residents	
Leverage existing public health State Health Improvement Plan	
Identify current efforts to advance the health of Montanans, including efforts to integrate public health and healthcare delivery	Need
Explore ways to align existing public health system initiatives with SIM initiatives	Need



# Organizing SIM Resources for Speed and Effectiveness



# Governor's Council Framework

Consider multi-payer care delivery system and payment transformation options for Montana



Does the model advance our aims?

- Improve the health of Montanans
- Improve Montana's healthcare system
- Control health care costs

Does the model build upon existing foundational programs e.g. ?

- PCMH
- Primary care case management
- Coordinated care models
- Hotspotters
- Workforce development grant

Can the model address identified gaps e.g.?

- Behavioral health integration
- Health disparities
- Rural access
- Health IT and HIE

Will the model advance multi-payer delivery system reform?

- Medicaid
- Private
- Medicare
- Marketplace
- Self-funded employers
- Tribal Health
- Public Health

*How can Montana use its authority and levers to advance multi-payer delivery system reform?*



# Montana's Baseline Healthcare Landscape

# Snapshot of Montana Covered Lives



## **Individual Market (Incl. Exchange)**

**87,000 individuals (8% of the State's population) receive coverage in the individual market.**

- 50,000 are enrolled in Exchange plans, and roughly 80% of policies sold in the Exchange were for individuals receiving tax credits.\*

## **Employer-Sponsored Insurance**

**154,000 individuals (15% of the population) are covered through employer-sponsored plans.+**

- 42,000 individuals are covered in the fully-insured small group market

## **Medicare**

**As of 2013, 179,000 individuals were enrolled in Medicare (18% of the population).**

- 35,000 of these individuals were enrolled in Medicare Advantage plans.

## **Uninsured**

**As of August 2015, 151,000 individuals (15%) were uninsured.**

## **Medicaid/CHIP**

**As of May 2015, Montana Medicaid and CHIP covered over 155,000 individuals (15% of the population.)**

- About 75% of these enrollees are children, 20,000 are enrolled in CHIP.
- Expansion may add up to 45,000 Medicaid enrollees by the end of FY 2019.

## **Tribal Health/IHS**

**65,000 (6.5% of the population) identifies as American Indian.**

- Over 40% of these individuals are uninsured.
- 68% (including those without insurance coverage) report access to IHS
- American Indians made up less than 2% of the total marketplace enrollment as of April 2014.

## **State Employee Plan**

**The State employee plan covers 33,000 employees, dependents, and retirees, (3% of the population).**

- The State Employee Plan administers six state-run primary care clinics.

\* In 2011, 45% of those with employer sponsored insurance were in self-insured plans.

Note that population percentages and other figures are approximate, and in some cases the base years vary.

For sources, please see appendix and notes section



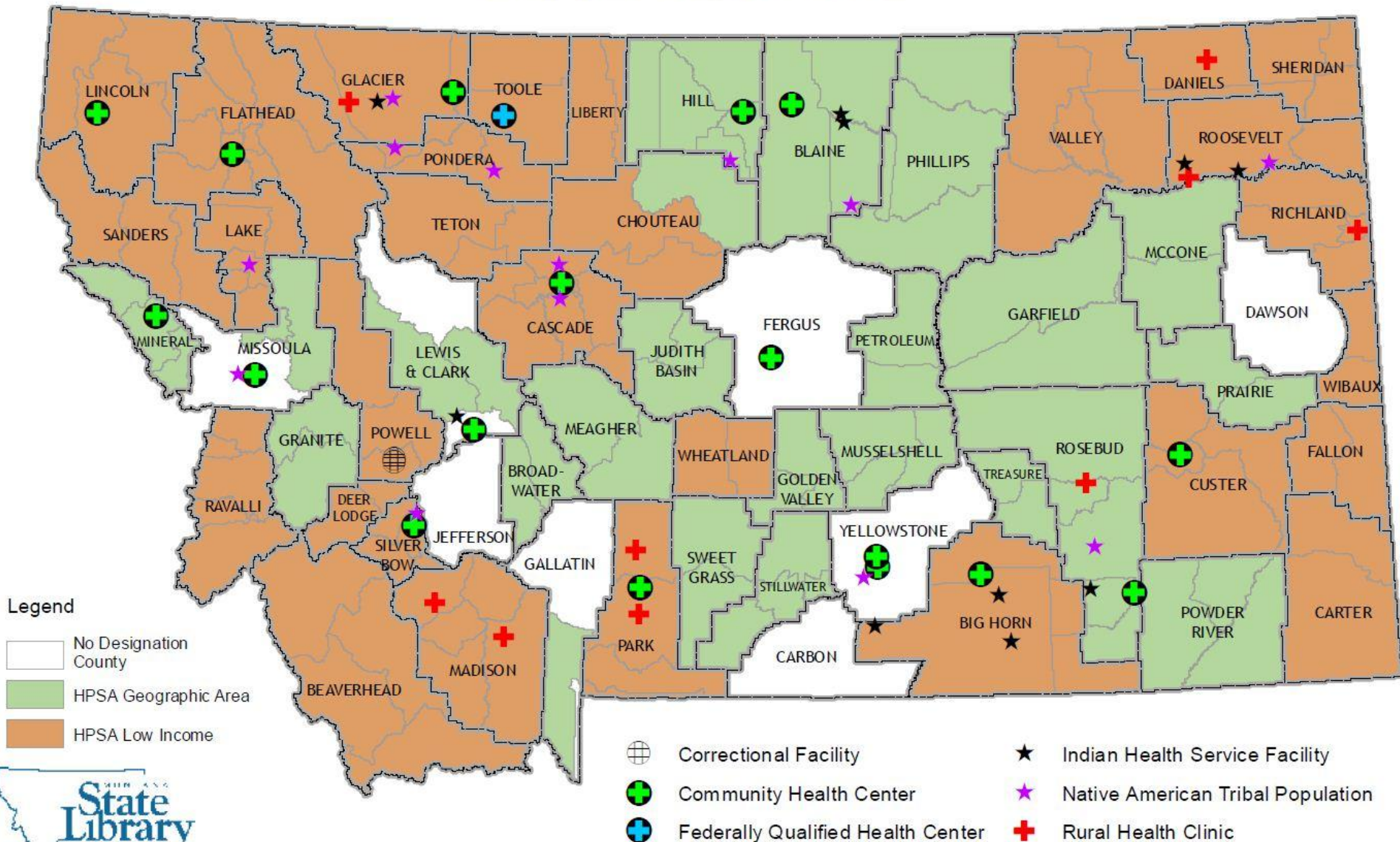
# Primary Care Systems

- Hospitals and practitioners in Montana, as elsewhere have consolidating into larger organizations that can spread costs across higher volumes of business.
- Already, more than 90 percent of all primary care doctors are employees of hospitals.



# Montana Primary Care Health Professional Shortage Areas (HPSAs)

## Healthcare Landscape Example



# Levers and Regulatory Flexibility and Options





# Payment Reform Models



# Foundation for Care and Payment Transformation

Montana has laid a solid foundation for care and payment transformation through its PCMH pilot and Health Improvement Plan.

## Participants

- Participating clinics must:
  - Submit a Comprehensive Application
  - Be accredited by one of three national accrediting agencies
  - Report on 3 out of 4 quality of care metrics
- Participating payers include:
  - Montana Medicaid
  - Allegiance Benefit Plan Management
  - Blue Cross Blue Shield of Montana
  - PacificSource

## Governance

- The Insurance Commissioner and a 15-member PCMH Stakeholder Council oversee the program

## Quality

- PCMHs must report on four quality measures: blood pressure control, diabetes control, tobacco cessation, and childhood immunizations
- Two utilization measures: ER visits and hospitalizations
- The PCMH Stakeholder Council recommended depression screening be added to the program's quality measures for 2016



## 2014 At-a-Glance

- 70 PCMHs participated
- Popular elements of practice transformation included:
  - Same day appointments
  - Patient portals
  - Clinical advice outside of office hours
- Initial quality results are promising
  - Rates of hypertension, diabetes, and tobacco use were close to or lower than national and Montana targets
  - Several childhood immunizations met national targets



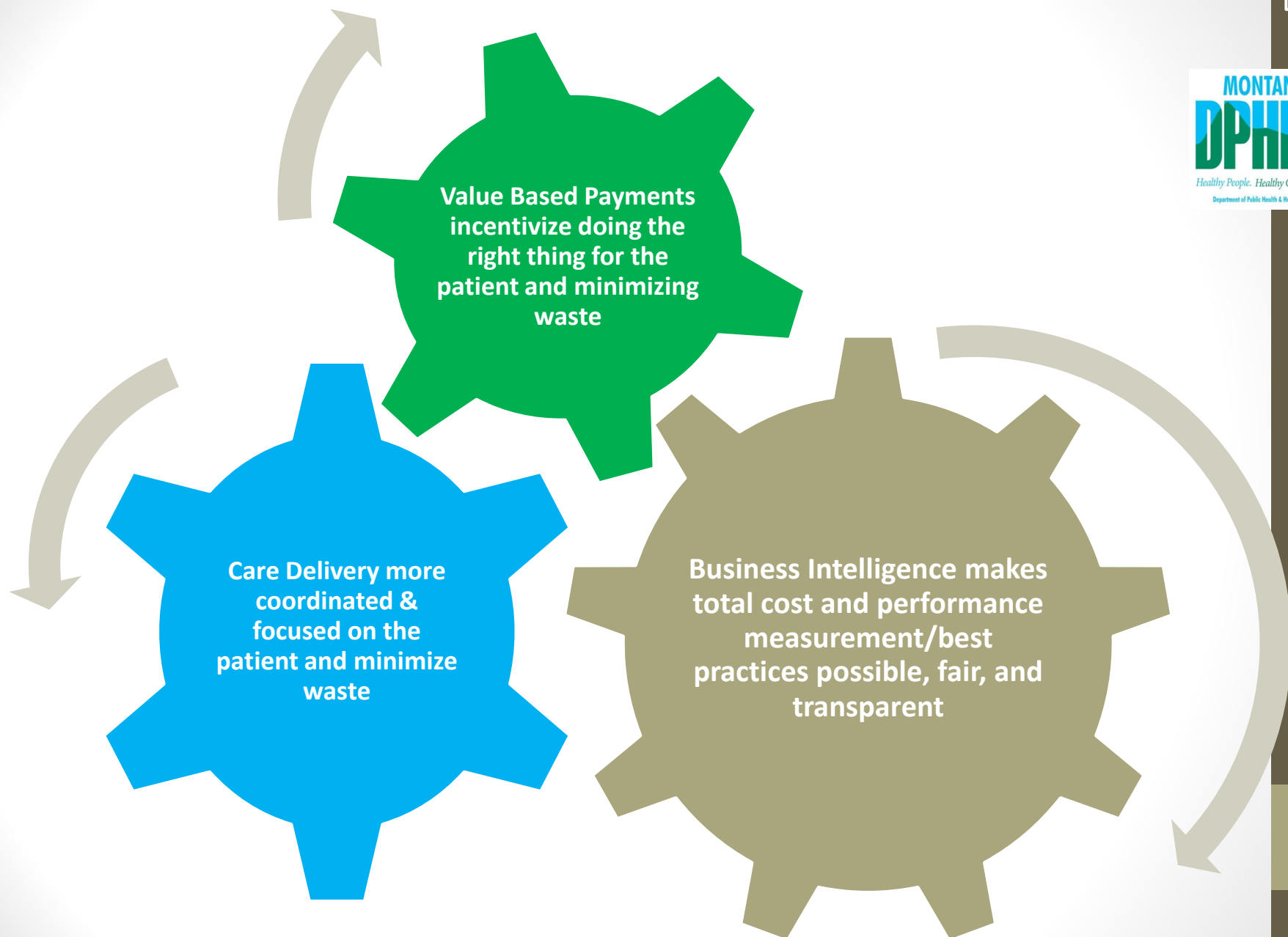
Payer	Payment Model
<a href="#"><u>Blue Cross Blue Shield of Montana</u></a>	<ul style="list-style-type: none"><li>• pays a PMPM participation fee for each attributed member and a PMPM fee for chronic disease management.</li></ul>
<a href="#"><u>PacificSource Health Plans</u></a>	<ul style="list-style-type: none"><li>• traditional FFS payments</li><li>• PMPM infrastructure support payments for promote care coordination, care management, disease management, population management, integrated behavioral health services, clinical pharmacy services</li><li>• grant-based funding to support care integration, medical home support, and population health approaches</li><li>• shared savings and quality bonuses for performance</li></ul>
<a href="#"><u>Allegiance Benefit Plan Management</u></a>	<ul style="list-style-type: none"><li>• compensates providers through care coordination CPT codes:</li><li>• non-physician services to achieve patient engagement and acceptance of Complex Care Coordination Program (CPT 99487)</li><li>• developing a Plan of Care and non-physician services to achieve compliance with the Plan of Care (CPT 99488)</li></ul>
<a href="#"><u>Montana Medicaid</u></a>	<ul style="list-style-type: none"><li>• compensates providers with traditional FFS payment and one of 3 PMPM fees for each enrolled PCMH member:<ul style="list-style-type: none"><li>• \$3.33 preventive and participation PMPM fee</li><li>• \$9.33 for a single chronic disease management PMPM fee for hypertension, asthma or depression</li><li>• \$15.33 PMPM fee for ischemic vascular disease, diabetes, or more than one of hypertension, asthma, or depression</li></ul></li></ul>



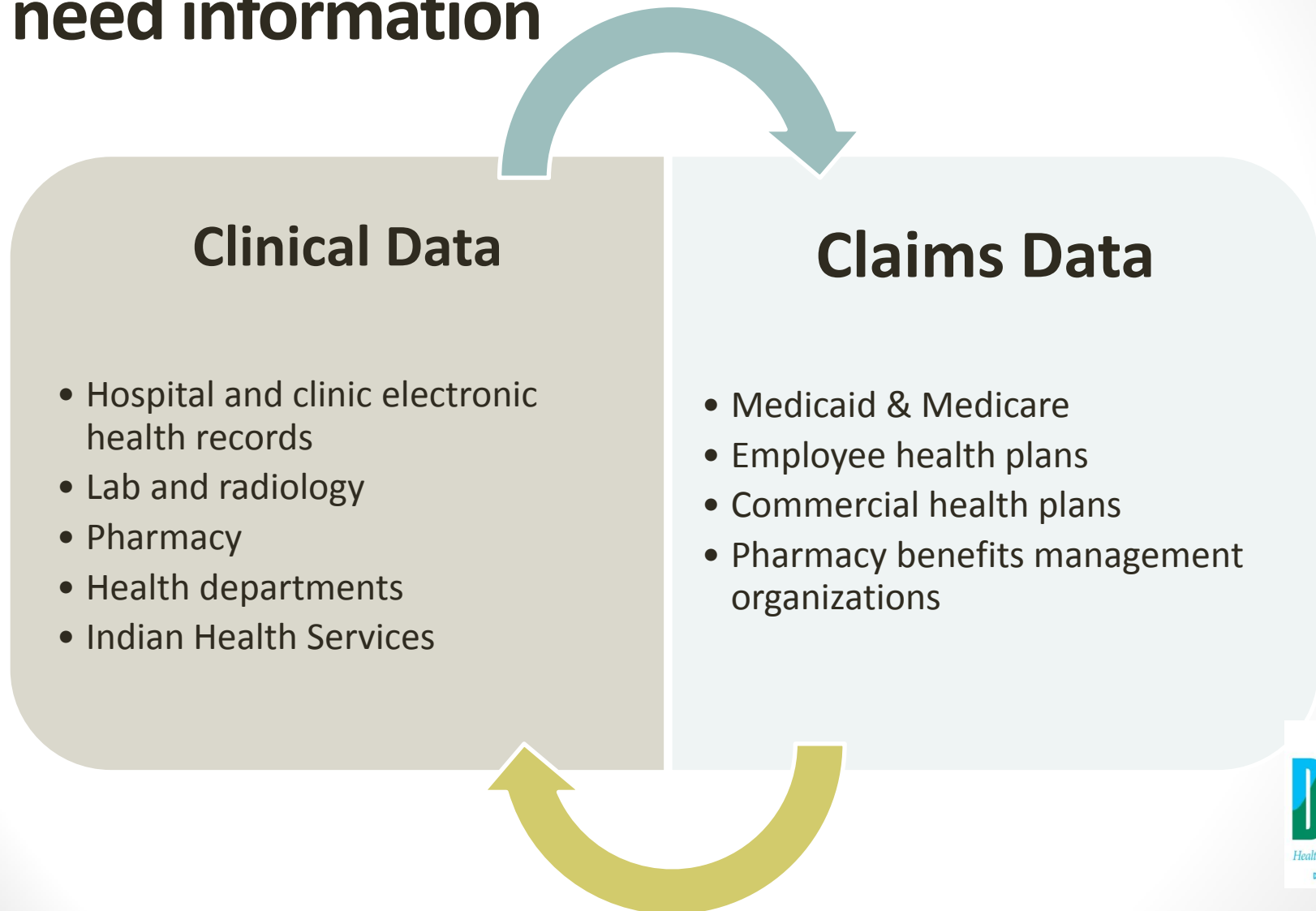
# Patient Centered Medical Homes

- Medicaid currently has contracts with five PCMH providers, reaching about 5,200 members.
- RiverStone Health (Billings)
- Partnership Health (Missoula)
- St. Peter's Hospital (Helena)
- Glacier Community Health Center (Cut Bank)
- Bullhook Community Health Center (Havre)

Medicaid PCMHs receive an additional per member per month (PMPM) fee for PCMH services, ranging from \$3 to \$15 based on members' health status, as identified by claims.



# To coordinate care and measure value we need information





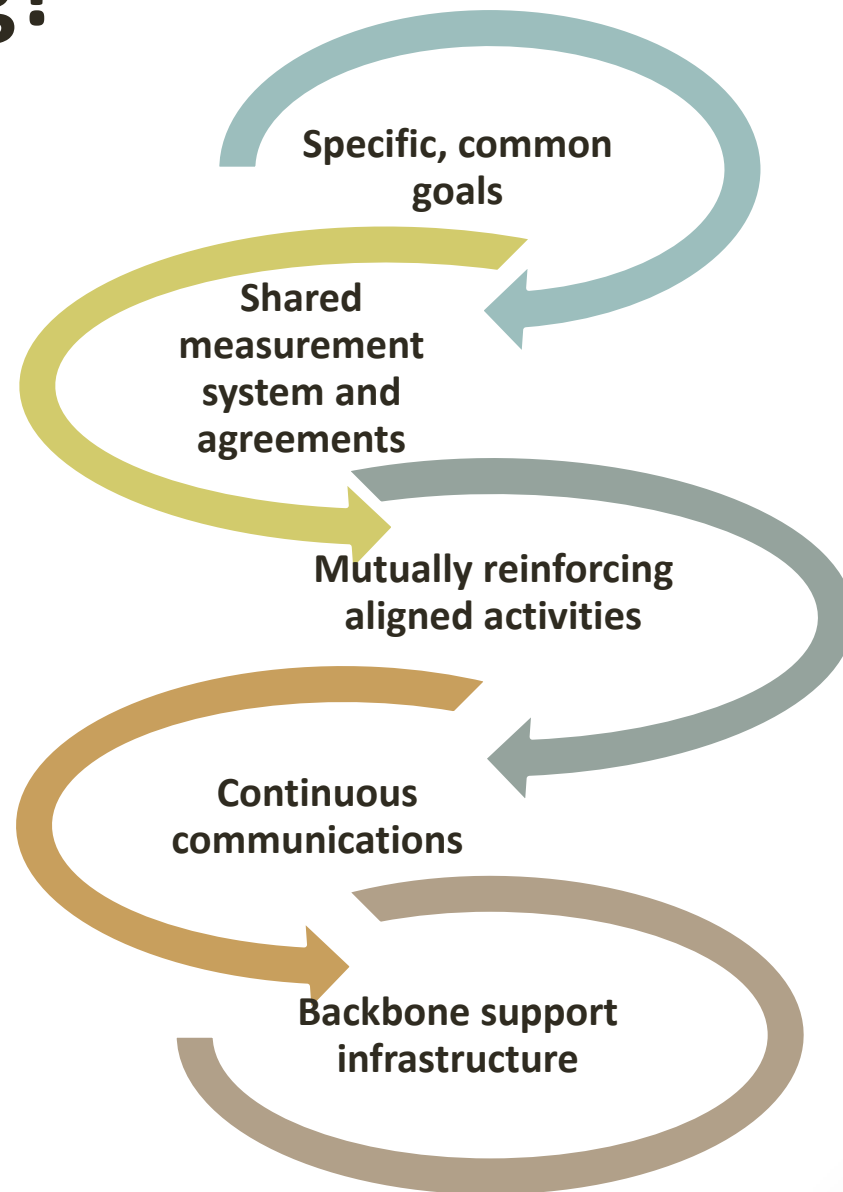
# Electronic Health Records

	Number of Medicaid Providers	Enrolled in E H R Incentive Program
Active in-state hospitals enrolled in Medicaid	72	64
Critical Access Hospitals	47	34
Medicaid Dentists	557	80
Medicaid Mid-level practitioners	1139	172
Medicaid physicians/psychiatrists	2798	265

# Montana Already has Many Key Components in Place for Statewide Transformation

- ✓ State Health Improvement Plan and State of the State of Healthcare Analysis
- ✓ Healthcare Market Data from CSI
- ✓ Integrated medical systems
- ✓ Payment experiments and pilots that can serve as proof of concept
- ✓ Private Sector/Public Sector Collaboration
- ✓ Governor's Support
- ✓ Physician Engagement
- ✓ Employer Interest
- ✓ Public and Private Payer Participation
- ✓ Medicaid Engagement
- ✓ Medicaid Expansion
- ✓ Workforce development grant
- ✓ Many organizations and ongoing initiatives to serve specific patient populations

# What's Missing?





# At the table

## Private Payers

*Leadership from private payers who have implemented or are examining payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

## Providers

*Leaders from key providers who have implemented or are examining payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

- Hospitals and others
- Physicians & Physician Groups
- IHS, Indian Clinic or Tribal Health Directors

## Patients

*Leaders from key patient and consumer advocacy groups or constituencies who have been engaged or are advocating patient engagement, access to care, payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

## Government and Public Payers

*Key leaders involved in regulating and overseeing payment and delivery including the State Employee Plan and Medicaid, particularly those with expertise on HIT initiatives and the State's PCMH program.*

- Insurance Commissioner's Office
- Department of Health and Human Services
- Public Health and Safety Division
- Department of Administration's Health Care Benefits Division (State Employee Plan)
- Governor's Office

# Stakeholder Engagement Update



Date	Meeting and Topics
September 11 <sup>th</sup>	<b>MMA Healthcare Innovation Summit</b> <ul style="list-style-type: none"><li>• Health IT/ SIM Overview session</li></ul>
October 6 <sup>th</sup> 10 – 11:30 am	<b>Stakeholder Webinar</b> <ul style="list-style-type: none"><li>• SIM overview</li><li>• Health care landscape</li><li>• Levers and authority</li></ul>
October 23 <sup>rd</sup> 9 – 10:30 am	<b>Stakeholder Webinar</b> <ul style="list-style-type: none"><li>• Case studies</li><li>• Care delivery and payment transformation options</li></ul>
November 3 <sup>rd</sup> 10 am – 2pm	<b>Governor's Council on Innovation and Reform Meeting</b> <ul style="list-style-type: none"><li>• SIM overview and progress to date</li><li>• Care delivery and payment transformation straw model</li></ul>
December 3 <sup>rd</sup>	<b>Healthcare Forum</b> <ul style="list-style-type: none"><li>• SIM overview and progress to date</li><li>• Small group stakeholder input session</li></ul>



**Get Involved**

[dphhs.mt.gov/sim](http://dphhs.mt.gov/sim)

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